Independent Commission to Review MLA Compensation

Report

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To the Honourable
Speaker of the Legislative Assembly of British Columbia
Parliament Buildings
Victoria, BC V8V 1X4

Honourable Speaker:

I have the honour to present herewith the majority report of the Independent Commission to Review MLA Compensation pursuant to the Commission's terms of reference announced on January 30, 2007.

Respectfully submitted,

Sue Paish, Q.C.
Chair

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TERMS OF REFERENCE

On January 30, 2007, the Premier tasked the Independent Commission to Review MLA Compensation to report back to the Speaker of the House in 90 days on the following terms of reference:

- Review MLA compensation including pension arrangements for Members of the Legislative Assembly;
- Recommend the basic compensation including pension arrangements for Members of the Legislative Assembly and stipends for the Premier, Members of Executive Council, the Leader of the Opposition, and the Speaker;
- Recommend allowances for parliamentary secretaries, chairs of legislative caucuses, whips and chairs of legislative committees; and
- Recommend the means by which MLA compensation, including pension arrangements, can be independently reviewed regularly and what, if any, annual adjustments should be made.

Composition of the Commission

Members

Sue Paish, Q.C., Chair, is a partner with Fasken Martineau DuMoulin LLP. A former managing partner and member of the National Partnership Board, she brings over 20 years experience in working with employers on human rights, employment and labour matters. She is currently a member of the board of directors for ICBC and chair of the Human Resources Committee. She is also vice-chair of the Vancouver Board of Trade, a director on the board of the Women's Hospital Foundation, and was former vice-chair of the British Columbia Institute of Technology Foundation. Paish earned her Bachelor of Commerce and Business Administration in 1981 and her LL.B in 1982 from UBC, and was called to the British Columbia Bar in 1983. In 2005, she was named one of Canada's Top 100 Most Powerful Women.

Josiah Wood, Q.C., F.C.I.Arb, has been a partner since 1998 at the Vancouver office of Blake Cassels & Graydon LLP, one of Canada's largest and oldest law firms with offices across Canada, in New York, Chicago, London and Beijing. In 1983, he was appointed to the British Columbia Supreme Court, the Province's senior trial court. In October of 1989, Wood was elevated to the position of Justice of the British Columbia and Yukon Territory Courts of Appeal, a position he occupied until returning to private practice on Feb. 1, 1996. He was chair of B.C.'s Electoral Boundaries Commission from 1997 to 1999.

Dr. Sandra Robinson has been a professor in the Organizational Behaviour and Human Resources Division at the University of British Columbia's Sauder School of Business since 1998. Prior to joining UBC, she was a professor at New York University. Designated a UBC Distinguished University Scholar, her research has focused on employment contracts, psychological contracts, and employee-employer relationships. She has also taught executive education courses in attracting and retaining human resources, negotiations, compensation and performance, developing and maintaining trust in organizations, and leading change. She earned her BA and MSc from UBC, and her PhD from Northwestern's Kellogg Graduate School of Management.

ACKNOWLEDGEMENTS

The specific tasks we were given required extensive research and comprehensive data review. The nature of the process that we adopted required careful and conscientious planning and scheduling. We would not have been able to complete our consultative process, nor conclude the review in the short time frame of 90 days, without the assistance of many people whose contributions are listed in Appendix A.

We would also like to acknowledge the professional support of the staff in the Legislative Assembly's Office of the Clerk of Committees. In particular, we would like to thank Craig James, Clerk Assistant and Clerk of Committees and Josie Schofield, Committee Research Analyst for sharing their knowledge and expertise throughout the review.

EXECUTIVE SUMMARY

The Independent Review Commission was appointed by the Premier on January 30, 2007 and asked to report back to the Speaker of the Legislative Assembly within 90 days. The tasks assigned in the terms of reference were to:

- Review MLA compensation including pension arrangements for Members of the Legislative Assembly;
- Recommend the basic compensation including pension arrangements for Members of the Legislative Assembly and stipends for the Premier, Members of Executive Council, the Leader of the Opposition, and the Speaker;
- Recommend allowances for parliamentary secretaries, chairs of legislative caucuses, whips and chairs of legislative committees; and
- Recommend the means by which MLA compensation, including pension arrangements, can be independently reviewed regularly and what, if any, annual adjustments should be made.

At the start of the review process, the Commission decided to interpret its mandate broadly to cover all forms of compensation an MLA receives. Three guiding principles were also selected: fairness to legislators and taxpayers, clarity and accessibility of compensation package, and openness and transparency of review process.

Between February 23 and April 23, 2007, the Commission conducted a wide-ranging consultation process:

- A telephone survey of 601 adults residing in the province was conducted by BC Stats
- Seven public hearings were conducted in different parts of the province, attracting 34 people
- 86 people responded to the call for written submissions
- An on-line survey was distributed to each of the 79 MLAs, with a response rate of 49%
- Interviews with 44 current and 11 former MLAs took place in Vancouver and Victoria
- Fact-finding interviews were also conducted with compensation experts and people with knowledge of compensation packages and review processes used in other legislative bodies

The key review findings and conclusions include:

- There is a lack of understanding among the public of both the duties and levels of MLA compensation
- Few positions are more important to our status as a free and democratic society than those of our elected officials
- MLAs collectively make law that affect the lives of all British Columbians and their positions have become more challenging and demanding as the complexity of scoial, economic and environmental issues continues to increase. Decisions of MLAs affect the quality of life of citizens and the long term success of the province.

- Our MLAs work extremely hard in the discharge of the heavy responsibilities of elected office. Many have made financial sacrifices to serve in that capacity and have great difficulty finding employment upon returning to private life

The Commission's report contains 18 recommendations, including:

- an across-the-board increase in each MLA's basic salary to $98,000 a year (from $76,100)
- higher salaries for those MLAs who perform additional duties, ranging from $88,200 for the Premier through to $9,800 for a deputy chair of an all-party parliamentary committee
- the termination of the Group RRSP and the reinstatement of a defined benefit pension plan
- the continuation and enhancement of the disability and excess health benefit plan
- changes to transitional assistance for MLAs who are defeated or choose not to run again
- changes to the capital city allowance and travel allowances
- appointment of an independent review commission to review the MLA compensation package in the first session of every second parliament
- annual salary adjustments to be made in accordance with the B.C. Consumer Price Index
- compensation information to be posted on the Assembly website to facilitate access

INTRODUCTION

The Independent Commission to Review MLA Compensation (the "Commission") was appointed by the Premier on January 30, 2007. The Commission's terms of reference identified four tasks:

- Review MLA compensation including pension arrangements for Members of the Legislative Assembly;
- Recommend the basic compensation including pension arrangements for Members of the Legislative Assembly and stipends for the Premier, Members of Executive Council, the Leader of the Opposition, and the Speaker;
- Recommend allowances for parliamentary secretaries, chairs of legislative caucuses, whips and chairs of legislative committees; and
- Recommend the means by which MLA compensation, including pension arrangements, can be independently reviewed regularly and what, if any, annual adjustments should be made.[1]

The opinions expressed and the recommendations in this report are those of the majority of the Commissioners — namely, Commission Chair Sue Paish and Commissioner Josiah Wood. Commissioner Sandra Robinson disagrees with certain aspects of this report. Thus, wherever "we" appears in the balance of this report, it represents the views of the majority.

SCOPE OF REVIEW

At the start of the review process, the Commissioners decided on a broad interpretation of the term "MLA compensation." For the purposes of our inquiry, we made a distinction between direct and indirect compensation. Direct compensation covers both the basic salary every Member of the Legislative Assembly (MLA) receives and the additional salaries in the form of stipends/special allowances paid to ministers and some private members for additional duties. Indirect compensation includes personal benefits (such as health and pension plans), as well as allowances and reimbursement for personal expenses incurred by MLAs while on legislative and constituency business.

Excluded from our review are the expense allowances paid for constituency and caucus support services. In our opinion, these payments fall under the category of operating expenses for constituency offices and parliamentary party caucuses. They are not considered part of the personal income or benefits received by an MLA.

GUIDING PRINCIPLES

In order to conduct a meaningful review and develop recommendations that fulfilled our mandate, we decided on three guiding principles:

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[1] Office of the Premier, "Independent Commission of Review Terms of Reference," Backgrounder, January 30, 2007.

- FAIRNESS TO LEGISLATORS AND TAXPAYERS

First, we believe that the province's elected representatives should be fairly compensated. At the same time, the levels of compensation have to be fair to the provincial taxpayers who pay the salaries, benefits and expenses of legislators.

- CLARITY AND ACCESSIBILITY OF COMPENSATION PACKAGE

Secondly, it was important to us that any changes we made to the compensation package be easily communicated, easily accessed and understood by current and prospective MLAs and by the public.

It also became apparent in the early stages of our review that information about the level of pay and benefits also needs to be much more accessible so that any citizen of the province will have no difficulty in the future finding and understanding relevant information on the compensation paid to any MLA.

- OPENNESS AND TRANSPARENCY OF REVIEW PROCESS

Thirdly, we agreed on the importance of having an open and transparent process in regard to reviewing MLA compensation. We actively sought public and stakeholder input, using a variety of methods. Within the tight time frame of 90 days, we strived to consult as widely as possible.

SUMMARY OF CONSULTATION PROCESS

British Columbians were invited to submit their ideas in writing or in person at one of the seven public hearings held in different parts of the province. We received 86 written submissions and heard 34 oral presentations. A telephone survey of 601 adults residing in the province was also conducted by BC Stats in April.

In addition to the public consultations, an e-survey was distributed to each of the 79 MLAs, with 39 responses (representing 49 percent of the total). Confidential interviews with 44 current and 11 former MLAs took place in Vancouver and Victoria.

As part of our fact-finding process, we consulted with compensation experts to learn about pension arrangements and long-term disability plans. These sessions took place in Vancouver and Victoria.

A series of meetings also took place between April 6 and 13 with people who had knowledge of remuneration policies and compensation review processes at both the local level (City of Victoria) and in the provincial parliaments of Ontario, Québec and Saskatchewan.

A complete summary of our consultation and fact-finding process is contained in Appendix A. We would like to express our appreciation to all the individuals and organizations that participated and assure them that we have carefully weighed their views during our deliberations.

The next section of our report provides the context for our review, by describing the existing compensation structure for MLAs in British Columbia and the current process for annual salary adjustments. Then we present our review findings, followed by our conclusions. The final section of the report contains our recommendations.

EXISTING SITUATION

DIRECT COMPENSATION

Member's basic compensation:

Under section 3(1)(d.1) of the *Legislative Assembly Management Committee Act*, the Legislative Assembly Management Committee (LAMC) has the jurisdiction to deal with all m[illegible]ecting payments of basic compensation to members. Currently, each of the 79 MLAs receives an a[illegible]asic salary of $76,100.

Special allowances:

Legislators who serve as members of the executive council — namely, the Premier, cabinet ministers and ministers of state — or in the more junior positions of parliamentary secretaries receive additional compensation. These ministerial salaries, as well as special allowances for government caucus committee chairs, are specified in section 4 of the *Legislative Assembly Allowances and Pension Act.*

Special allowances are also paid to the Speaker, who is the elected head of the Assembly; the leaders of parliamentary parties and party caucus chairs; and to MLAs with specialized duties in the legislative chamber, such as the house leaders and the whips. These allowances are determined by the LAMC pursuant to Section 3(1)(d.2) of the *Legislative Assembly Management Committee Act.*

In total, 60 current MLAs are eligible to receive stipends or special allowances for additional duties. The amounts range from $45,000 for the Premier through to $3,000 for a deputy chair of an all-party parliamentary committee. (See annual salary breakdown in Appendix B)

INDIRECT COMPENSATION

Benefit plans:

The Legislative Assembly, as the employer, contributes an amount equal to 9 percent ($6,849) of a member's basic compensation ($76,100) to a voluntary group registered retirement savings plan (Group RRSP), established pursuant to Section 3(1)(d.3) of the *Legislative Management Committee Act.* Each MLA may make an additional voluntary contribution of up to 9 percent of their basic salary, through payroll deduction, to the Group RRSP. Those not seeking re-election or who are defeated can dispose of their individual account when they cease to be MLAs.

Members are required to participate in the Canada Pension Plan (if under the age of 65) and the Group Life Insurance Plan. Their participation is optional for the BC Medical Services Plan, extended health and dental plans, and dependent insurance. There is also a benefit plan for MLAs who become incapacitated due to total disability that is financed through an indemnity arrangement.

A transitional allowance, equal to one month of the member's basic salary for each year of service to a maximum of 12 months, is available to members defeated in a by-election or a provincial general election. A defeated MLA is also entitled to be reimbursed for any career retraining (up to $5,000).

Expense allowances and reimbursement:

The non-taxable capital city allowance is intended to be a reimbursement for actual expenses while conducting legislative business in Victoria. An MLA living outside the Capital Regional District (CRD) receives $150 for each day he or she is required to be in Victoria on legislative business to cover accommodation costs, while an MLA who resides within the CRD, or returns to their constituency overnight, is paid $51.50 to cover the cost of meals and incidental expenses.

Each MLA is reimbursed for the costs of travel to/from the capital (defined as Victoria and Vancouver for legislative business purposes), within a riding, and for business travel within the province. Restrictions apply to these reimbursements, including the number of trips permitted. Members are also reimbursed for Speaker-authorized travel and parliamentary committee-related travel. (See Appendix B)

COMPENSATION ADJUSTMENTS

In British Columbia, there is no statutory requirement for an independent review of MLA compensation at regular intervals. Prior to our appointment, there had been only two occasions when an arms-length process was established. In 1992, Mr. C.J. (Chuck) Connaghan, an industrial relations expert, was appointed by the Legislative Assembly to conduct the first-ever independent review of MLA remuneration in this province. In 1996, a five-member Citizens' Panel was established by the LAMC to review MLA compensation.

In his 1992 report, Mr. Connaghan recommended that MLA salaries be adjusted annually in accordance with a formula based on the B.C. Consumer Price Index and two earnings-related indices (the Connaghan formula), with an independent compensation review to be conducted every third year.[2] Since no action was taken on his recommendations, the 1997 report of the Citizens' Panel reiterated the need for the use of the Connaghan formula to determine annual adjustments to member's basic compensation.[3]

The Panel's recommendations were accepted by the LAMC. Their implementation involved making legislative amendments to three statutes in July 1997 — the *Constitution Act,* the *Legislative Assembly Allowances and Pension Act,* and the *Legislative Assembly Management Committee Act.*

As a result, since 1997, the LAMC has authorized salary adjustments (if appropriate) on April 1 of each year in accordance with the Connaghan formula. The current level of member's basic compensation ($76,100) reflects the adjustment made on April 1, 2006. Pending the outcome of our independent review, the LAMC decided on March 1, 2007 to postpone the adjustment in basic compensation scheduled for April 1. This increase (to $77,774) would have been based solely on the B.C. Consumer Price Index for the preceding year, since the two earnings-related indices in the Connaghan formula no longer exist.[4]

The annual salary recommended by the Citizens' Panel and implemented in 1997 was $ 69,900. The current salary of $76,100 represents an average annual increase of 0.9% over the ensuing ten-year period.

In the fall of 2005, the LAMC made an unsuccessful attempt to enhance the compensation package. The proposed changes were presented in the "pay-and-pensions bill" (Bill 17), which was unanimously approved by the House on November 17, 2005 and then repealed four days later in response to the withdrawal of support for Bill 17 by the Official Opposition. It was against this backdrop that our Commission was

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[2] C.J. Connaghan, *Official Report and Recommendations 1992 Review of MLA Remuneration The British Columbia Legislative Assembly,* December 15, 1992.

[3] Citizens' Panel, *Report on MLA Compensation,* January 31, 1997.

[4] See Legislative Assembly Management Committee Minutes, January 29, 2007.

appointed and assigned the task of recommending a future process for regular independent reviews and the means for making annual adjustments.

Review Findings

As noted in the introduction, we engaged in an intensive consultation and fact-finding process between February 23 and April 23, 2007 to find out what the public, legislators and experts had to say on the question of MLA compensation and how it should be determined in the future.

Public's Perspectives

BC residents' survey results:

Our phone survey of 601 BC adults was conducted by BC Stats from April 13 through April 16. The sample was largely representative of the provincial electorate. It covered respondents from all regions of the province, with varying education and family income levels similar to provincial statistics. Respondents included an equal mix of men and women, and English was the first language for 84.9% of the respondents.

- BC residents express a limited knowledge of the number of MLAs. On the question of "How many MLAs do you think are in the BC Legislature?" answers ranged from 1 to 500, with the average being 64 (median 55), but only 1.2% had the correct answer of 79.
- BC residents believe that MLAs work on average only 38 hours a week, and 196 days out of the year (equivalent to 5 days a week with 13 weeks off for holidays).
- When it comes to compensation, 51.9% think MLA salary is about right, with 34.8% believing it's too high and 15.1% thinking it's too low. However, few of the respondents knew how much MLAs earn, with only 20% coming within 10% of the real salary. The mean perceived average salary was $195,824, with 39% overestimating the annual base salary.
- Regarding pensions, 90.8% of the respondents believe MLAs have a pension of some kind. Moreover, 83.6% believe the plan is better than those held by most BC employees, and 6.2% believe it's inadequate.
- Regarding mechanisms for deciding how compensation should be determined for MLAs, the vast majority of respondents (86.1%) believe it should be determined by an independent body. Other respondents indicated that compensation decisions should be left to the Premier and MLAs (8.5%), the electorate (3.4%) or unspecified other (2%).

Taken as a whole, the survey results demonstrate a significant lack of understanding among the public in respect of what MLAs do and what they receive in total compensation.

Submissions:

There was a clear division of opinion on the compensation question among those people who made submissions — either orally (34) at one of the seven hearings or in writing (86). Those in favour of a more attractive compensation package submitted that the job of an MLA should appeal to younger people who are just getting established in their career — either in the business world or the public sector — and starting a family. This group also advocated that the position of MLA should be attractive to accomplished citizens from a broad range of sectors and occupations, and that compensation for MLAs should not be a deterrent,

nor a penalty, to current or prospective candidates. The lack of an adequate pension plan, in particular, was seen as a deterrent to younger people interested in running for elected office, as well as an obstacle for "working people."

Others perceived the existing level of member's basic compensation ($76,100) to be more than adequate. Proponents of maintaining the status quo were also critical of proposals to reinstate the defined benefit pension plan, eliminated in 1997 on the recommendation of the independent Citizens' Panel.

There was broad consensus on two topics: the need for better communication about, and access to, information about MLA compensation; and the need for a more open and transparent review process — with support for the current approach of using an independent commission. A few people suggested using mechanisms of direct democracy, such as citizens' forums or referenda, to give British Columbians the power to decide levels of MLA compensation.

Taken as a whole, the submissions and the survey responses, as previously noted, demonstrated a lack of understanding among the public of both the duties and levels of MLA compensation. This, combined with the small number of submissions, has caused us to be cautious in interpreting the opinions received when formulating our recommendations.

BC Legislators' Perspectives

Current MLAs' survey results:

- 39 of the 79 MLAs completed the on-line survey (response rate: 49%).
- The majority of respondents are married, with a university degree, typically in middle age (45-60), and few have children still living at home.
- The average length of service of the 39 MLAs is 6.72 years.
- The majority (30 of the 39) perform additional legislative duties for which they are compensated.
- The MLAs uniformly reported working long hours, averaging 70 hours a week when the House is sitting, and 62 hours when not — the more rural the constituency, the shorter the work week.
- A typical day in the life of an MLA is a very busy one. On any given day of the week, an MLA receives 77 incoming emails, 17 incoming calls, 13 phone interactions and attends 7 meetings.
- Most of the 39 MLAs travel almost once every three days, missing on average 98 nights a year away from their family.
- More than 80% feel they have to make financial sacrifices to serve in elected office. Since their average salary prior to becoming an MLA was $108,000 (ranging from 2 to 12 years ago), more than half now have to rely on a spouse's income; 34% tap into their prior savings; and about 11% rely on outside income to supplement their annual salary.
- Only 22% believe they could resume their prior occupation, and only 27% believe they may be able to return to their former level of income when they leave office.
- Attitudes toward the current compensation package were relatively uniform among the 39 MLAs. Seventy-four percent (28 out of 39) feel that the current Group RRSP is definitely not adequate. Forty-two percent believe that the discrepancies between special allowances are not at all appropriate, and another 36.1% feel that they are somewhat inappropriate.

MLA interviews:

From our interviews with 44 current and 11 former members, we came to appreciate the demands and the intensity of the job of an MLA. Like their counterparts in other parliamentary democracies, the men and women we met with all perform a combination of House, party caucus and constituency duties. Members from the governing party, who are selected by the Premier to serve as cabinet ministers, have additional responsibilities. They participate in making government policy decisions and are accountable to the legislature for certain actions taken in their ministries. Whatever their status, many MLAs noted at some point in the interview how much they love their job.

We were struck too by the number of MLAs who stated that they had no idea of the demanding nature of the job until they were actually elected, notwithstanding that many had prior experience on the fringes of politics or in public service. In particular, they had no appreciation of the extent of the time commitment involved in fully discharging what they perceived to be their duties as an MLA, with estimates of the workweek ranging from a low of 50 hours, in a few cases, to 65-75 hours, and in excess of that for cabinet ministers. For those whose ridings are located outside a 50 km radius of Victoria, there is substantial additional travel time added to this commitment.

It also became apparent that the demands of the job, combined with the stressful and insecure nature of the work, made it difficult for members to balance work and family life. Most members we interviewed said they had experienced a significant deterioration in the quality of their family life, as well as a significant loss of privacy.

With a few exceptions, election to public office has resulted in a reduction in income, with a surprising number of members not being fully aware of the scope of that reduction at the time they agreed to stand for election. We were also told that the actual expenses incurred while performing the social duties associated with elected office must be supplemented from their own pocket.

Some MLAs have come to the realization, in some cases only after being elected, that their income when they leave public office is unlikely to equal in real terms that which they enjoyed before they were elected. In fact, in most cases, an understanding that employment, or contract work in the case of the self-employed, will be very difficult to find due to the stigma associated with having been in public office, this being particularly so if their return to private life follows a change in the governing party.

COMPARATIVE ANALYSIS

To determine whether the existing compensation package is fair, or needs to be enhanced, we obtained information on two relevant comparators: pay and benefits for equivalent jobs in other jurisdictions, and for similar occupations in the public and private sectors.

Other legislators:

British Columbia follows rather than leads the country in annual salaries for elected officials. In 2006/07, the province ranked in the middle of the pack, with federal MPs having the highest base salary among the 14 Canadian legislatures. (See Table 1 in Appendix C)

Our MLAs are paid about half what an MP currently earns ($150,800). The salary gaps for ministerial salaries are also considerable, with the Premier earning 40 percent of what the Prime Minister earns ($301,600), and a cabinet minister half of what a federal minister is paid ($223,000).[5]

Regarding review mechanisms, the principle that members' remuneration be decided by an arms-length process is formally recognized in the statutes of seven Canadian legislatures (Parliament of Canada, Saskatchewan, Manitoba, Ontario, Nova Scotia, Prince Edward Island, and the Northwest Territories). The practice in six of the other seven assemblies (British Columbia, Alberta, Québec, New Brunswick, Yukon, Nunavut) is that members continue to set their own remuneration and benefits, via legislative assembly management boards/committees. (See Table 2 in Appendix C)

The process of internal review, though, does not preclude the use of an independent review panel from time to time. In the case of British Columbia, for example, our appointment represented the third occasion in the history of the province that the vexing question of MLA compensation had been referred to an independent body.

Senior managers:

While serving as an elected office-holder is quite different from any other work environment, it is possible to compare the position of an MLA with similar occupations in the public and private sectors. For example, in the national occupational classification (NOC) scheme, used in *Work Futures B.C. Occupational Outlooks*, legislators are included in the large group of senior management (NOC 00), along with senior managers from all industries including government.

Under the NOC 00 category, legislators comprise elected representatives who work in a municipal, provincial/territorial or federal legislative body. Whether they are a city councillor, mayor, member of a legislative assembly or a member of parliament, they perform similar duties. They enact, amend or repeal laws and regulations and respond to the concerns of their constituents. Some legislators may serve as ministers and direct senior government managers of a department or agency.

In regard to working conditions, senior managers may work considerably more than a 40-hour week. Their earnings are considerably higher than the average for all workers, reflecting their experience, responsibility and education. However, in 2000, legislators earned the least for full-time, full-year work ($47,900), compared to senior managers in finance, communications and other business services ($118,000) and in government ($67,500).[6]

Over the past six years, the salary gaps between legislators and other senior managers have widened. Private sector executives now earn far more than elected officials. A recent analysis by the Canada West Foundation, for example, shows that the average salary of bank CEOs ($14.9 million) in 2005 was higher than the combined salaries ($12.1 million) of the 75 elected officials comprising the Calgary city council, the Alberta cabinet and the federal cabinet.[7]

Within the B.C. public sector, there is also a widening gap between the annual salaries of the Premier and cabinet ministers and senior managers of ministries and Crown agencies, as the following table shows:

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[5] Tim Naumetz, "Raise pushes MPs' salary over $150,000." *Victoria Times Colonist* 18 April 2007: A05.

[6] *Work Futures: British Columbia Occupational Outlooks for NOC 00*, 2000 edition (last updated May, 2005): 2.

[7] Brett Gartner, *You Get What You Pay For: Comparing Public and Private Sector Salaries*, Canada West Foundation Occasional Paper 2007-2, March 2007: 4.

Salary Comparisons across B.C. Public Sector

Salary Rank	Executive Council (Apr 1, 2006)	Public Service (Aug 1, 2006)	Senior Positions in Three Crown Corporations (Hydro and Lottery Corp, Mar 31, 2006; ICBC Dec 31, 2005)		
1	Premier	Deputy Minister to the Premier	BC Hydro, President and CEO	BC Lottery Corp., President and CEO	ICBC, CEO
	$121,100	$243,936	$471,432	$362,038	$320,571
2	Cabinet Minister	Deputy Minister	Executive VP Finance and CFO	Vice-President, Finance and Corporate Services	Chief Financial Officer
	$115,100	$221,760	$372,887	$255,321	$241,178
3	Minister of State	Assistant Deputy Minister	President and CEO, Powerex	Vice-President, Casino Gaming	Senior VP Insurance, Marketing and Underwriting
	$101,100	$159,667	$290,062	$245,717	$230,465

To ensure that our review covered all parameters, we also examined various economic and financial indicators, including:

- Provincial gross domestic product levels
- Population growth in British Columbia
- Inflation rates, as measured by consumer price indexes for Vancouver, Victoria and the province as a whole
- Personal income levels among British Columbians
- Capital investment per capita
- Provincial debt per capita
- Average weekly earnings (industrial aggregate across provinces)
- B.C. wage settlements for public and private sectors
- Salary data from comparable professions
- Per capita operating costs for federal and provincial legislatures
- Ministry and provincial budgets, general revenue and expenditures

In summary, while none of the comparators we looked at provided a perfect match, a number of them were helpful in giving us a sense of where compensation levels for MLAs should be, by today's standards.

CONCLUSIONS

Our predecessors, Mr. Connaghan and the Citizens' Panel, both concluded that the position of an MLA is important to our society, that it is a demanding and complex job and one that is not well understood by most members of the public. We strongly endorse their conclusions and would like to elaborate on them, based on our experience during the past three months.

Few positions are more important to our status as a free and democratic society than those of our elected representatives. Our MLAs collectively make laws that affect the lives of the 4.31 million residents of the province, which is now the third largest in Canada. Their position has become more challenging in recent years as the complexity of social, economic and environmental issues continues to increase.

Our MLAs are expected to exercise judgement and make decisions that involve millions of dollars and affect the immediate quality of life of individuals, as well as the long-term success of the province overall. No other group in our province has such a significant impact on our lives. Unfortunately, few members of the public fully understand the responsibilities and burdens shouldered by MLAs collectively or individually.

As citizens, we expect our MLAs to be available to handle a host of issues from the minor and personal to the strategic and global. We demand that decisions be made for the benefit of our families, neighbourhoods and businesses, often without remembering that there are few issues where others see the result in exactly the same light as we do. Like legislators elsewhere, our MLAs must continually balance competing interests and regularly face issues where they know that no resolution will satisfy all interested parties.

Members live their lives under constant public scrutiny, to which their families are also often subjected. The concept of a private life or a 'normal' family environment disappears the moment an MLA is elected. There is no job security and often few job prospects and little thanks when the position comes to an end. One may ask why anyone would voluntarily subject themselves to such a working environment. The reality is that very few MLAs themselves understand the demands of the position, the significance of their responsibilities, the impact of their decisions and the intensity of the media attention until they are elected.

In reaching our conclusions, we have paid close attention to the views and to the information we have received through the various consultative mechanisms described in the previous sections. It was also important to us that any changes we proposed to enhance the MLA compensation package be reasonable in comparison to other sectors in the British Columbian economy and beyond. We wanted to be sure that our recommendations would not place the compensation of MLAs in this province markedly out of step with some of the groups with whom they might reasonably be compared. In addition, the enhanced compensation package, outlined in the next section, is designed to attract and retain talented people from all walks of life by lowering existing barriers to serving as elected officials.

In conclusion, we recognize that there is likely no perfect answer to the question, 'what should an MLA be paid?' During the process of developing our recommendations, the views of all the various groups who have an interest in this issue were considered and balanced into outcomes that we hope will be seen as fair, reasonable, clear and understandable.

RECOMMENDATIONS

COMPENSATION PACKAGE

BASIC SALARY

1. We recommend an across-the-board increase in each member's basic salary to $98,000 a year, effective April 1, 2007

The Members of the Legislative Assembly of British Columbia have not received a significant pay increase since 1997. During the past decade, the salary gap between our MLAs and other senior managers in the public sector has widened considerably. In our judgement, the proposed increase of $21,900 (or 28.8%) conforms to our first guiding principle of fairness to both legislators and taxpayers.

ADDITIONAL SALARY

2. We recommend that the criterion for determining the salary for additional duties be percentage-based, rather than a fixed amount, in order to facilitate adjustments in the future

3. Using this criterion, we recommend that MLAs who perform additional duties be compensated in the following way:

- **An additional salary equivalent to 90% of basic salary be paid to the Premier**
- **An additional salary equivalent to 50% of basic salary be paid to a minister with portfolio, the Speaker, and the Leader of the Official Opposition**
- **An additional salary equivalent to 35% of basic salary be paid to a minister without portfolio (minister of state), the Deputy Speaker, and the Assistant Deputy Speaker**
- **An additional salary equivalent to 20% of basic salary be paid to the Deputy Chair of the Committee of the Whole, the Government Whip, the Official Opposition House Leader, the Official Opposition Whip, the Government Caucus Chair, and the Official Opposition Caucus Chair**
- **An additional salary equivalent to 15% of basic salary be paid to a parliamentary secretary, Deputy Government Whip, Official Opposition Deputy Whip, and the Chair of Select Standing or Special Committees**
- **An additional salary equivalent to 10% of basic salary be paid to the Deputy Chair of Select Standing or Special Committees**

In our judgement, the proposed changes to the additional salaries for members of the executive council and those members performing additional parliamentary duties are commensurate with the importance of the responsibilities attached to each position. The existing restrictions on members of the executive council and the holders of other positions receiving more than one additional salary should remain in place.

4. Anticipating that a third party may win seats in a future provincial general election, we recommend that the positions of third party leader, third party house leader, third party whip, and third party caucus chair receive half of the percentage allocated to equivalent positions held by members of the Official Opposition

5. We recommend incorporating the proposed changes to the basic salary and additional salary into a single statute, the *Legislative Assembly Allowances and Pension Act*

Currently, the additional salaries for members of the executive council are specified in the *Legislative Assembly Allowances and Pension Act* and the parliamentary positions eligible for additional salaries are listed in the *Legislative Assembly Management Committee Act.* A single list of all positions eligible for additional salaries contained in one statute would be simpler to understand and access.

6. We recommend the repeal of section 4(14) of the *Legislative Assembly Allowances and Pension Act* that authorizes an additional salary for the chair of a government caucus committee who is not a member of the executive council

In our opinion, this type of position ought to be funded through the caucus allowance paid to each parliamentary party.

MLA Benefits

Pension arrangements

7. We recommend the termination of the Group RRSP and the reinstatement of a defined benefit plan. The plan will be effective from April 1, 2007 and contain the following key provisions:

- **A benefit accrual rate of 3.5% of the highest three-year average earnings (with the benefit calculated separately on the member's basic salary and on any additional salary earned), to a maximum of 70% of the three-year average earnings**
- **The normal form of pension being joint life and 60% survivor for a member with a spouse at retirement and single life guaranteed ten years for a member without a spouse at retirement, with optional forms of pension available on an actuarial equivalent basis**
- **Entitlement to a vested pension benefit only after the member has served in the legislature for six years, including years in which the member has served immediately prior to the introduction of this plan**
- **Earliest retirement without a pension reduction at age 65, with the option for a retired member to take a reduced pension between the ages of 60 and 65, with the early retirement reduction being 3% for each year pension payments commence before the member's 65th birthday**
- **Member contributions shall be fixed at 11% of the member's basic salary and any additional salary earned, with the balance of the cost paid by the Legislative Assembly. Based on the current demographic data, the Legislative Assembly's contribution for this plan is estimated to be 37% of the members' total current salary. Depending on the financial experience of the plan, the Legislative Assembly's required contribution could be higher or lower than this estimated cost from time to time**
- **Compulsory enrolment for all current MLAs**
- **Service as an MLA from election day, May 17, 2005 to April 1, 2007, can be purchased for the purposes of calculating a pension under this benefit formula on the condition that the member pays one half of the full actuarial cost of the benefits resulting from the past service purchase. If all members were to purchase all of their past service accrued during the current legislature, the maximum contribution required of the Legislative Assembly would be approximately $3.5 million**
- **Determination of buy-back provisions for service as an MLA for any years between the termination of the previous defined benefit pension plan and May 17, 2005 should remain within**

the jurisdiction of the Legislative Assembly Management Committee. An annual accounting of decisions relating to the retroactive purchase of pensionable years should be published on the Legislative Assembly website and identified in the public accounts

- **This pension plan shall be delivered through the pension funding and administrative arrangements that are currently in place for the pension plan for provincial public servants**

Based on all the information we received in the course of our review, we are satisfied that the sacrifices suffered by members who are elected to and serve in the legislature, together with the re-employment difficulties they encounter on returning to private life, justify the reinstatement of a defined benefit pension plan on the terms set out above.

After extensive consultation with various pension experts, we have concluded that this pension plan is fair both to members and to the public. We are also satisfied that this pension arrangement is actuarially sound and tax efficient, and that the defined benefit plan can be administered at a cost consistent with the pension plan for provincial public servants. Furthermore, we believe that the pension cost estimates presented in our report are sufficiently conservative to provide reasonable assurance that the actual costs incurred to finance the plan will be at or below the estimated contribution rates.

In our view, making plain the expected costs of our recommended pension plan — before it is legislated — is critical to achieving the degree of transparency the public should expect with respect to the value of members' compensation. We understand our approach stands in sharp contrast to that taken in the fall of 2005, when an unsuccessful attempt was made to change the pension provisions via Bill 17.

Long-term disability

8. We recommend the continuation of the province's indemnity for the disability and excess health benefit plan beyond the scheduled expiry date (the day before the provincial general election in May 2009), with the following changes in the amount of benefit, termination of benefit, and eligibility for other benefits:

- **The benefit payable to an MLA who becomes disabled under the terms and conditions of the plan be 70 percent of the basic salary and 25 percent of any additional salary the member was receiving on the date of disability**
- **The Legislative Assembly will pay the MLA's and the Legislative Assembly's contribution to the pension plan from the date of disability, as defined in the plan, to the end of the parliament subsequent to the parliament during which the disability occurred, or until the earliest of recovery, death or age 65**
- **The Legislative Assembly will pay the premiums for all insured group benefits for an MLA who is disabled, as defined in the plan, until the earliest of recovery, death or age 65**
- **Disability benefit payments to terminate on recovery, or the earliest of the last day of the calendar month in which the member turns 65 years of age, or in which the member's death occurs**

Transitional assistance

9. We recommend the following changes to transitional assistance:

- **An MLA who chooses not to stand for re-election be eligible for transitional assistance on the same terms and conditions as an MLA who is defeated**

- A former MLA receive basic salary for a minimum of four months up to the date he/she is re-employed, receives the pension recommended in this report, or 15 months elapse, whichever comes first
- Coverage for insured benefits and the Employee and Family Assistance Program to continue until the earliest of the expiry of transitional assistance, or the former MLA obtains reasonable alternative coverage
- An MLA would be reimbursed for any career counselling, education and training costs up to $9,000, upon presentation of receipts. The Speaker has discretion, in exceptional circumstances and upon application by the former member, to extend this benefit

We are persuaded that re-entry to the work force can be and has been difficult for many former members. The proposed changes are designed to facilitate the transition from public life to a new occupation.

10. We recommend that the Speaker appoint a panel to examine existing barriers to entering or staying in elected office facing parents of young children and to report back on the feasibility of implementing maternity/parental leave and providing child care supports no later than January 31, 2008

EXPENSE ALLOWANCES

Capity city allowance

11. We recommend that the existing capital city allowance be terminated as soon as practicable and be replaced with the following:

- An annual allowance for meals and incidental expenses incurred during legislative sessions, based on a per diem rate of $61.00 for 75 sitting days per calendar year. This allowance is to be grossed up for tax purposes and paid to the member in one lump sum on April 1 of each year. For 2007, the amount will be prorated by the Legislative Comptroller. In the event that the House sits more than 75 days in a calendar year, the Legislative Comptroller will determine the additional payment based on $61.00 per sitting day
- An MLA whose principal residence is outside the Victoria Capital Regional District will be eligible to be reimbursed for the actual cost of maintaining a year-round residence within the CRD to a maximum of $19,000 per year. Costs eligible for reimbursement for an MLA who rents a second residence are:
  - rent in an arms-length rental relationship
  - utilities
  - basic telephone and Internet service
  - furniture rental
  - apartment content insurance
  - parking

  An MLA may authorize the Legislative Comptroller to pay rent directly to the landlord. All other expenses will be reimbursed only upon presentation of receipts
- In the event that a member whose principal residence is outside the CRD owns a second residence within the CRD that he/she utilizes for the purpose of fulfilling his/her duties as an MLA, that member will be eligible to be reimbursed to a maximum of $19,000 per year for:
  - property taxes,
  - strata fees, if any

- insurance
- basic telephone and Internet service
- furniture rental
- parking

An MLA may authorize the Legislative Comptroller to pay expenses directly to a property manager or strata council. All other expenses will be reimbursed upon the presentation of receipts

- In the event that a member stays in a hotel during sitting days and does not make any claims under either of the above provisions, the member will be reimbursed to a maximum of $17,000 per year for hotel expenses, parking and Internet service, upon the presentation of receipts

The purpose of the above recommendations is to eliminate any perception or possibility that the 'tax-free' benefit available to members under the current capital city allowance may be used for purposes other than defraying the actual annual living expenses incurred as a result of the requirement to be in the provincial capital to discharge parliamentary business.

Travel allowance

12. We recommend replacing the existing restrictive categories of travel to/from the capital, intra-constituency travel and business travel with a single allowance for MLA-related travel. The new allowance will enable a member to travel within the province as well as to the capital and within their riding on business related to their responsibilities as an MLA. We propose:

- **Reimbursement for reasonable and justifiable travel expenses within the province (air, hotel, meals, mileage and incidentals) upon presentation of receipts**
- **Reimbursement for reasonable and justifiable travel expenses (air, hotel, meals, and incidentals) for up to 12 return trips a year within the province for an accompanying person of the member's choosing, upon presentation of receipts**

In our interviews with current and former MLAs we were struck by the sheer volume of travel necessary to fulfill the duties of elected office in British Columbia. Also noted were the significant variations in travel depending on the member's constituency office location and any additional duties he/she has. Finally, we are sympathetic to the personal impact on family life associated with members' travel requirements.

FUTURE REVIEW PROCESS

13. We recommend that a comprehensive review of the MLA compensation package be undertaken in the first session of every second parliament, beginning with the 40th Parliament

14. We recommend that the Speaker appoint an independent review commission comprising three people, at least one of whom has expertise in compensation matters, who would be required to report back to the Speaker within 180 days of their appointment

15. In the intervening period, we recommend that an annual adjustment to the basic salary be made in accordance with the British Columbia Consumer Price Index on April 1 of each year, commencing on April 1, 2008

ACCESSIBLE INFORMATION

16. We recommend that information concerning MLA compensation, including the *Members' Handbook*, be accessible via the Legislative Assembly website

17. We recommend that a plain-language summary listing all expenses reimbursed to each MLA (accommodation, food, incidental expenses, and travel) be tabled with the Speaker on an annual basis

18. We recommend that the Legislative Assembly Management Committee enhance communication of its decisions by posting the minutes of its meetings on the Assembly website

APPENDIX A: CONSULTATION PROCESS

Although our time frame was limited, with only 90 days from the date of our appointment to the delivery of this report, we were committed to engaging in a consultation process that ensured that any British Columbian who wanted input to this process would have that opportunity. We also sought out information, guidance and expertise relevant to our mandate. As a result of our desire to have an open and transparent process, we engaged in the following activities.

PUBLIC HEARINGS:

We scheduled eight public hearings in various centres throughout the province. Unfortunately, the Prince George hearing did not take place due to transportation problems we encountered en route. The meeting schedule was:

Vancouver	February 27, 2007
Langley	March 5, 2007
Kelowna	March 6, 2007
Prince George	March 14, 2007 (cancelled)
Fort St. John	March 15, 2007
Vancouver	April 3, 2007
Nanaimo	April 4, 2007
Victoria	April 5, 2007

Each public hearing was advertised on the Commission's website and multiple times in the province's major daily and local newspapers. A sample copy of the advertisement is attached overleaf. In addition, the public hearings were referenced in various interviews conducted by the Commissioners, in various articles and reports in the news media, and also publicized in various letters from the Commission Chair sent to stakeholder organizations seeking their input.

Despite our best efforts, the hearings were sparsely attended. Over the course of the seven hearings we heard from only 34 citizens — including the head of the B.C. Federation of Labour and seven Raging Grannies. However, while the turnout at the meetings was low, all presenters presented their views with passion and conviction, and a few had done considerable research. We are very grateful to each individual who did take the time to attend a hearing and make a presentation.

WRITTEN SUBMISSIONS:

The advertisement for each public hearing also invited British Columbians to submit their opinions in writing, either electronically, by fax or through the regular mail. In addition, letters were sent to some 20 organizations, representing mainly business, labour and community groups, inviting them to make a written submission or participate in a public hearing.

In total, we received 86 written submissions. Most came from individuals residing outside the lower mainland. We also received written communications from the province's Conflict of Interest Commissioner

and the following organizations: the B.C. Government Retired Employees' Association, Cheam View Branch #2000; the Canadian Office and Professional Employees Union, Local 378; the Canadian Taxpayers Federation; the Consulting Engineers of British Columbia; and the Vancouver Board of Trade.

INDEPENDENT COMMISSION TO REVIEW MLA COMPENSATION

Sue Paish, QC *Chair*, Josiah Wood, QC *FCI Arb*, Dr. Sandra Robinson

Notice of Public Hearing

VANCOUVER

Tuesday, April 3, 2007
2 pm to 6 pm

20 ICBC Salon B, Morris J. Wosk Centre for Dialogue
580 West Hastings Street

The Independent Commission to Review MLA Compensation is conducting public hearings on the matter of remuneration for Members of the Legislative Assembly of British Columbia. The Commission has been charged with the following tasks and seeks your views on them:

- Reviewing levels of compensation including pension arrangements of Members of the Legislative Assembly of British Columbia,
- Recommending the basic compensation including pension arrangements for Members of the Legislative Assembly and allowances for the Premier, Cabinet Ministers, the Leader of the Official Opposition and the Speaker,
- Recommending allowances for parliamentary secretaries, chairs of caucus committees, whips and chairs of legislative committees, and
- Recommending the means by which compensation, including pension arrangements, can be independently reviewed regularly and what, if any, annual adjustments should be made.

To reserve a time to discuss these matters with the Commission contact Shannon Borsoff at 604.631.3515; 1.866.635.3131 (toll free); 604.631.3232 (facsimile); sborsoff@van.fasken.com; or by mail to the office address below.

The Commission is accepting written submissions as well. Closing date for the receipt of written submissions is Friday, April 6, 2007. You can deposit your submission by email or by mail to Independent Commission to Review MLA Compensation, Fasken Martineau DuMoulin LLP, 2100 – 1075 West Georgia Street, Vancouver, British Columbia V6E 3G2.

Or visit www.leg.bc.ca/bcmlacomp/

SURVEYS

BC Residents' Survey:

We retained BC Stats to conduct a telephone survey of a representative sample of adult British Columbians in an effort to gain a better understanding of the perceptions of the public respecting the role and compensation of MLAs in this province. The survey of 601 residents was conducted on April 13-16 and the results are considered accurate to within +/- 4% 95 times out of 100. The attached questionnaire was developed by Commissioner Robinson who is an expert on survey design.

SURVEY OF BC ADULT RESIDENTS

Demographic Information

What is your postal code? _____

Highest level of education:

- ☐ Some high school
- ☐ High school diploma
- ☐ Some college/university
- ☐ College diploma
- ☐ University undergraduate degree
- ☐ Masters degree
- ☐ Doctorate degree

Are you:

- ☐ Male
- ☐ Female

What is your current age?: _____

Languages spoke at home:_____ _____

Total household income_____

Beliefs about the BC Legislature

How many Members (MLAs) are in the BC legislature?: _____

How many hours a week do you believe the average MLA works?: _____

About how many weeks out of the year do you believe the average MLA works?: _____

What do you think is the yearly salary of MLAs?: _____

Do MLAs receive a pension?

- ☐ Yes
- ☐ No

If yes, how does that pension compare to most BC employees:

- ☐ Much less favourable
- ☐ About the same
- ☐ Much more favourable

To what extent do you believe the present income for MLAs is adequate compensation for the job:

- ☐ Too low
- ☐ Somewhat low
- ☐ About Right
- ☐ Somewhat High
- ☐ Too High

To what extend do you believe the present pension plan is adequate for MLAs:

- ☐ Too low
- ☐ Somewhat low
- ☐ About Right
- ☐ Somewhat High
- ☐ Too High

Who should decide how MLAs are paid?

- ☐ The Premier and MLAs
- ☐ An independent body
- ☐ Don't know
- ☐ Other:

To what extent do you feel well informed about the nature of work that MLAs do?

- ☐ Not at all informed
- ☐ Not too informed
- ☐ Somewhat informed
- ☐ Very informed

Current MLAs' Survey:

We also distributed an on-line survey to each of the 79 MLAs serving in the current parliament. The purpose of the survey was to obtain data respecting various aspects of the MLAs' roles, their previous incomes, their previous occupations and the time they expend in their respective roles. The response rate was 49% (39 of the 79 MLAs). The attached questionnaire was also designed by Commissioner Robinson.

SURVEY OF CURRENT MLAs

MLA Survey

Dear Member,

Thank you for taking the time to participate in our survey regarding your work and experience as an MLA. Your knowledge and perspective is very valuable to us.

Be assured that your individual responses, and any personally identifying information that you provide, will remain entirely confidential to the panel.

Respectfully,

The MLA Compensation Panel

Start Survey

Introduction

We would like to begin by asking you a few questions about yourself.

1. Please tell us your name.

---

2. Please indicate your highest level of education
   - Some high school
   - High school diploma
   - Some college or university
   - University undergraduate degree
   - Masters, graduate or professional degree
   - Doctorate degree
   - Other, please specify
3. What is your current marital status?
   - Married
   - Separated
   - Divorced
   - Single
   - Other, please specify
4. How many children do you have that live at home?

---

5. What is your age?

Constituency Characteristics

In this section, we would like you to tell us a bit about your constituency.

6. Please indicate the approximate geographical size of your constituency (e.g. sq. miles, hectares).

---

7. Approximately how many electors do you serve in your constituency?

---

8. Is your riding primarily:
   - Urban
   - Semi-Urban
   - Rural
   - Semi-Rural
   - Coastal Remote

9. Is there additional information you would like to share with us about your riding? If so, please do so here.

Career Characteristics

The next several questions pertain to your career.

10. For how many years total have you served as an MLA?

---

11. Do you presently hold any position of additional responsibility in the House for which you are compensated financially? If yes, please describe.

    Yes No

    Additional Comments:

---

12. What was your occupation before becoming a member?

---

13. In your former occupation before becoming a member, did you have a pension plan?

    Yes No

    Additional Comments:

---

14. In your former occupation before becoming a member, did you have long term disability insurance coverage?

    Yes No

    Additional Comments:

---

15. What was your approximate annual income prior to becoming a member?

Constituency Characteristics
In this section, we would like you to tell us a bit about your constituency.

6. Please indicate the approximate geographical size of your constituency (e.g. sq. miles, hectares).

7. Approximately how many electors do you serve in your constituency?

8. Is your riding primarily:
   - Urban
   - Semi-Urban
   - Rural
   - Semi-Rural
   - Coastal Remote

9. Is there additional information you would like to share with us about your riding? If so, please do so here.

Career Characteristics
The next several questions pertain to your career.

10. For how many years total have you served as an MLA?

11. Do you presently hold any position of additional responsibility in the House for which you are compensated financially? If yes, please describe.
    [redacted] [redacted]
    Additional Comments:

12. What was your occupation before becoming a member?

13. In your former occupation before becoming a member, did you have a pension plan?
    [redacted] [redacted]
    Additional Comments:

14. In your former occupation before becoming a member, did you have long term disability insurance coverage?
    [redacted] [redacted]
    Additional Comments:

15. What was your approximate annual income prior to becoming a member?

16. Please answer the following two questions using the scale provided.

1	2	3	4
Definitely not	Probably not	Probably	Definitely

If defeated, or if you decided not to seek re-election, could you return to your former employment?

1 2 3 4

Additional Comment:

If you returned to your former employment, could you return at pay levels comparable to the level you left?

1 2 3 4

Additional Comment:

---

17. Is there additional information you would like to share with us about your career? Is so, please tell us here.

Financial Characteristics

In this section, we would like your personal opinion regarding some of the financial aspects of your job.

18. Please answer the following questions using this scale.

1	2	3	4
Not at all	Somewhat	Moderately so	Very much so

Are the disparities between the various current special allowances appropriate?

1 2 3 4

Additional Comment:

Is the current MLA Group Registered Retirement Savings Plan adequate?

1 2 3 4

Additional Comment:

Are the resources for running your constituency office adequate?

1 2 3 4

Additional Comment:

Do you rely on income from additional work you are doing, besides that of MLA?

1 2 3 4

Additional Comment:

Do you rely on income from a spouse or other family member that you did not rely on before becoming an MLA?

1 2 3 4

Additional Comment:

Do you rely on income from savings that you did not rely on before becoming an MLA?

1 2 3 4

Additional Comment:

Have you been compelled to make financial sacrifices in order to pursue a legislative career?

1 2 3 4

Additional Comment:

Nature of the MLA job

In this final section, we would like to learn more about your duties and responsibilities as a member.

19. Approximately how many hours per week do you spend performing your duties
when the House is sitting?
when the House is in recess?

---

20. Regarding yesterday only, estimate how many of the following work related interactions occurred:
Emails received:
Emails sent:
Phone calls received:
Phone calls participated in:
Mail received:
Meetings attended:
Number of people talked to in person, outside of meetings:

---

21. Regarding the question above, what day of the week was yesterday?

---

22. Is there a difference in workload between rural and urban members?
- A greater workload for rural MLA's
- A greater workload for urban MLA's
- No substantial differences in workload
- Other, please specify

---

23. How many days a year do you travel for work as an MLA?

---

24. How many nights a year are you away from your family because of your work as a member?

---

25. How many days a year do you go to Victoria or Vancouver? (if your riding is located in either metro area, please enter 0)

---

26. Regarding your accommodations when you visit Victoria, do you:
    - Own a residence
    - Lease a residence
    - Co-own a residence with someone other than family
    - Co-lease a residence with someone other than family
    - Use a hotel
    - I do not require overnight visits to Victoria
    - Other, please specify

This last set of questions can be answered here, or if you prefer, during an interview with one of us later on.

---

27 Please list the duties and responsibilities that you undertake in an average week when the House is in session. Indicate the amount of time per week spent at each.

---

28. Please list the duties and responsibilities that you undertake in an average week when the House is in recess. Indicate the amount of time per week spent at each.

---

29. Please list the skills and abilities that you feel a member requires to fulfill their duties.

---

30. Please identify 2 or 3 occupations in other industries (public or private sector) that you believe are of similar value to your job as a member.

FACT-FINDING INTERVIEWS

CURRENT AND FORMER MLAS:

In addition to the on-line survey, we invited each current MLA and a selection of former MLAs to meet with us for a confidential 45-minute interview. These interviews were conducted in Vancouver and Victoria by one or more Commissioners. In total, we met with 44 current MLAs and 11 former MLAs.

COMPENSATION EXPERTS:

We sought professional advice on pension matters from Mr. Roy H. Stuart of Hewitt Associates and Mr. John W. Cook, Chair, Public Service Pension Board of Trustees. We obtained information respecting long-term disability and excess health coverage from two officials in the Ministry of Finance's Risk Management Branch: Mr. Phil Grewar, Executive Director and Laura A. Hughes, Director. All these individuals were extremely knowledgeable, forthright and generous with their time and expertise, especially given our compressed time frame.

OTHER JURISDICTIONS:

To learn about the compensation review processes used in other legislative bodies, we held a fact-finding meeting with John Fryer, Irwin Henderson and Margaret Lucas, former members of the Citizens' Committee on Council Remuneration established by the Mayor and Council of the City of Victoria.

Then we obtained information about the compensation packages and processes used in Ontario, Québec and Saskatchewan. We held meetings with the following people on April 11, 12 and 13:

- Hon. Michael Brown, Speaker of the Legislative Assembly of Ontario
  Norm Sterling, MPP for Lanark-Carleton, Official Opposition Caucus
  Michael Prue, MPP for Beaches-East York, Deputy Third Party Whip
  Deborah Deller, Clerk of the House
  Sylvia Nemanic, Executive Director, Administrative Services
  Hon. Coulter A. Osborne, Integrity Commissioner
- William Cusano, First Vice-President of the Québec National Assembly and Chair of the Committee on Conditions of Employment and Miscellaneous Allowances
  Frédéric Fortin, Office of the Secretary General
  René Chrétien, Office of the Secretary General
  Charles Bogue, Office of the Secretary General
  Diane Oliver, Adviser, Administrative Commission for Pension Plans and Insurance
  Dany Caron, Regional Director – Québec Bureau, SSQ Financial Group
- Hon. Myron Kowalsky, Speaker of the Legislative Assembly of Saskatchewan
  Don McMorris, MLA for Indian Head-Milestone, Opposition Caucus Office
  Kevin Yates, MLA for Regina Dewdney, Government Caucus Office
  Gregory Putz, Clerk
  Kenneth Ring, Law Clerk and Parliamentary Counsel
  Marilyn Borowski, Director of Finance and Member Payments
  Arthur (Art) Wakabayashi, Chair and Dr. Terence McKague, Researcher, Independent Review Committee on MLA Indemnity (2006)

We would like to extend our sincere appreciation to all the officials who accommodated our tight schedule to share their knowledge and insights concerning members' remuneration policies and review processes.

APPENDIX B: EXISTING COMPENSATION PACKAGE FOR BC MLAS

ANNUAL SALARY BREAKDOWN				
Position	#	Annual Salary		
		Basic Compensation	Special Allowance	Total
Premier	1	$76,100	$45,000	$121,100
Minister with portfolio	19	$76,100	$39,000	$115,100
Minister without portfolio (Minister of State)	4	$76,100	$25,000	$101,100
Parliamentary Secretary	6	$76,100	$6,000	$82,100
Chair of a Government Caucus Committee (who is not a member of Executive Council)	2	$76,100	$6,000	$82,100
Speaker	1	$76,100	$39,000	$115,100
Deputy Speaker	1	$76,100	$19,500	$95,600
Assistant Deputy Speaker	1	$76,100	$19,500	$95,600
Deputy Chair, Committee of the Whole	1	$76,100	$9,000	$85,100
Leader of the Official Opposition	1	$76,100	$39,000	$115,100
Leader of a recognized political party, other than government or opposition	n/a	*$76,100*	*$19,500*	*$95,600*
Government Whip	1	$76,100	$9,000	$85,100
Deputy Government Whip	1	$76,100	$6,000	$82,100
Official Opposition House Leader	1	$76,100	$9,000	$85,100
House Leader of a recognized political party, other than government or opposition	n/a	*$76,100*	*$6,000*	*$82,100*
Official Opposition Whip	1	$76,100	$9,000	$85,100
Official Opposition Deputy Whip	1	$76,100	$9,000	$85,100
Party Whip of a recognized political party, other than government or opposition	n/a	*$76,100*	*$6,000*	*$82,100*
Government Caucus Chair	1	$76,100	$9,000	$85,100
Official Opposition Caucus Chair	1	$76,100	$9,000	$85,100
Caucus Chair of a recognized political party, other than government or opposition	n/a	*$76,100*	*$6,000*	*$82,100*
Deputy Caucus Chair of a recognized political party, other than government or opposition	n/a	*$76,100*	*$6,000*	*$82,100*
Chair of select standing or special committees	8	$76,100	$6,000	$82,100
Deputy Chair of select standing or special committees	8	$76,100	$3,000	$79,100
Private Member	19	$76,100	n/a	$76,100

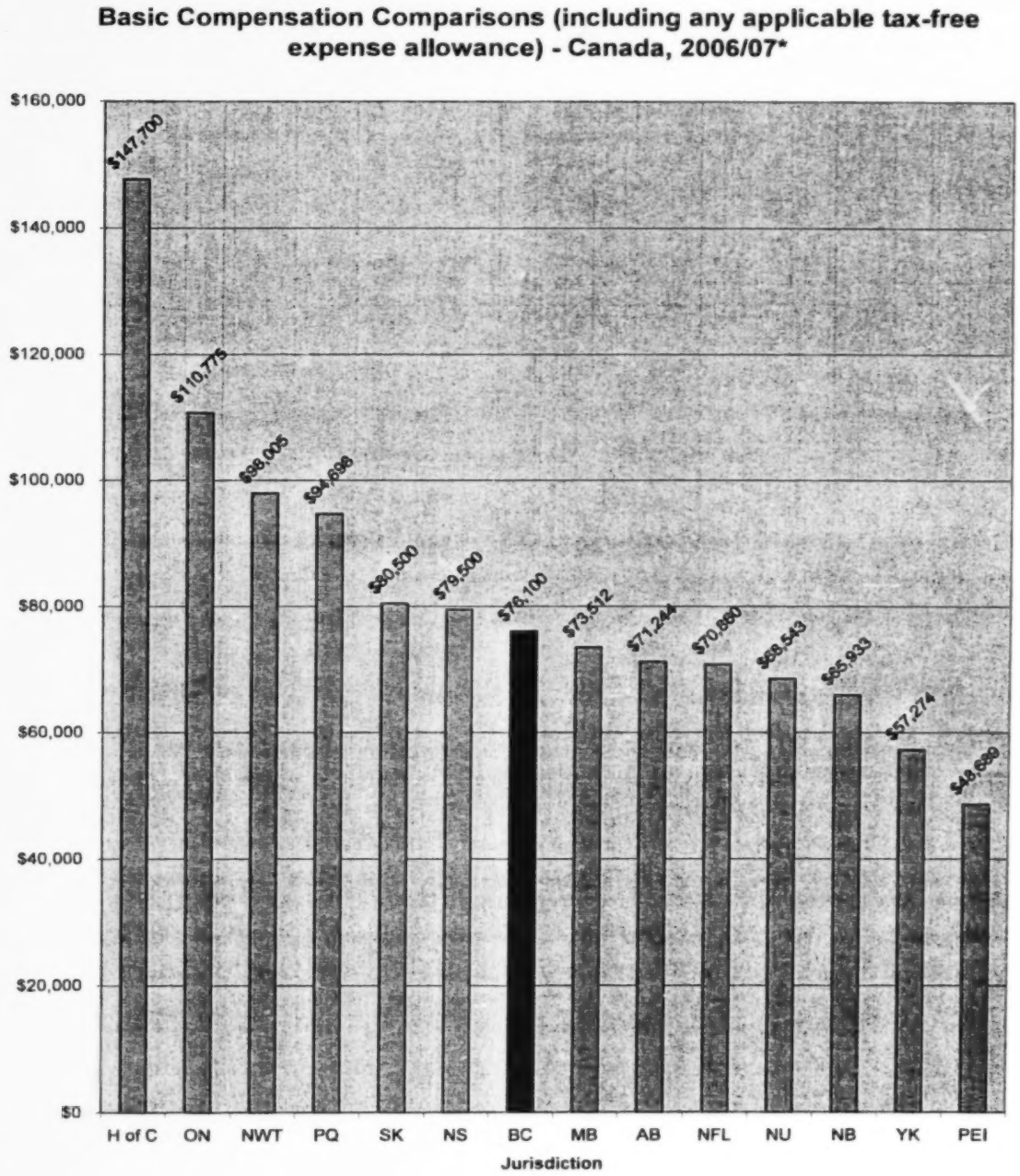
Source
: British Columbia Legislative Assembly, Members' Administration Manual

MLA BENEFITS	
Mandatory	*BCMLA Group Registered Retirement Savings Plan*: The Legislative Assembly contributes an amount equal to 9% ($6,849) of the Member's basic compensation.
	Group Life Insurance Plan (includes Group Aviation Accident Insurance): Employer-paid premium for minimum coverage ($80,000) is treated as a taxable benefit. An MLA can pay the premium for coverage in excess of the minimum. The premium is currently calculated at a rate of 17 cents per $1,000 of coverage.
	Canada Pension Plan: Applicable to all Members not receiving CPP benefits.
Optional	*Group RRSP Contributions*: Members are eligible to contribute a maximum of 9% of their basic compensation. Current maximum value: $6,849.
	BC Medical Services Plan: 100% employer-paid taxable benefit.
	Extended Health and Dental Plans: 100% employer-paid non-taxable benefit.
	Dependent Insurance: Benefits available to an MLA can be extended to dependents. The premium for this optional dependent insurance is $2.00 per month, regardless of the number of dependents
	Employee and Family Assistance Program: Up to six confidential counselling sessions per year for eligible employees and family members.
	Disability and Excess Health Benefit Plan (effective April 1, 2005): Covers all MLAs elected between May 16, 2001 and May 2009. Six-month waiting period after the Member ceases to be an MLA due to total disability. Monthly payments are equivalent to 70% of the first $2,600 of basic compensation and 50% of above $2,600. Current value: $50,290 annually ($4,191 per month).
Other	*Transitional Assistance*: Available to MLAs defeated in a by-election or provincial general election (except MLAs elected prior to 1996 and entitled to receive a pension under the old plan). The amount of assistance is based on the average monthly compensation during the past 12 months and calculated at 1 month per year of service. The assistance is paid for a minimum of two months up to the date the defeated MLA is re-employed, officially retires, or 12 months elapses, whichever comes first.
	Career Counselling & Training Costs: Members entitled to receive Transitional Assistance are also entitled to receive reimbursement for any retraining for employment, recertification for professionals, or career training programs. Maximum value per MLA: $5,000.

EXPENSE ALLOWANCES	
Capital City Allowance	*$150.00 per sitting day*: Members outside the CRD.
	$51.50 per sitting day: Members who reside in the CRD or who return to their constituency overnight.
Travel Allowances	*To/From Capital (CRD, GVRD)-Constituency*: 52 return trips per fiscal year for one session (60 return trips for two sessions).
	Intra-constituency travel (paid quarterly): Urban – $3,190; Semi-Urban – $4,752; Rural – $7,125; Semi-Rural – $6,314; Coastal/Remote – $8,580. (MLAs who represent coastal/remote ridings are eligible to claim an additional $8,580 a year.)
	Business travel: Up to eight trips a year between a constituency and any other location in B.C. on business related to an MLA role. Official Opposition Leader has unlimited travel within the province.
	Mileage Rate: $0.48 per kilometre (effective April 1, 2007). Free parking space at Parliament Buildings.
	Other: Speaker-authorized travel and committee travel

Appendix C: Comparative Tables

Table 1:



* The above figures do not reflect adjustments after March 31, 2007.

TABLE 2:

MLA Remuneration Process Comparisons – Canada

	House of Commons	BC	AB	SK	MB	ON	PQ	NS	NB	PEI	NFL	YK	NWT	NUN
Review Process														
Statutory (arms-length) Process	Yes	No	No	Yes	Yes	Yes	No	Yes	No	Yes	(under review)	No	Yes	No
Timing of Review	Post-election			Regular intervals	Post-election	Regular intervals		Post-election		Regular intervals			Post-election	
Report Recipient	GG in C then H of C			Speaker	LAMB	Speaker		Speaker		Speaker			Speaker	
Recommendation Type	Non-binding			Binding	Binding	Non-binding		Binding		Binding			Non-binding	
Method of Implementation	Statute			LAMB	LAMB	Statute		LAMB		LAMB			Statute	
Compensation Criterion														
Other Legislators				X		X								
Private Sector	X	X	X	X				X	X				X	
Public Sector			X	X	X	X	X	X	X	X	X		X	X
Adjustment Criterion														
Consumer Price Index		X		X	X			X		n/a		X		
Public sector wages			X			X	X		X		X		X	X
Private sector wages	X		X						X					

Key: GG in C = Governor General in Council; H of C = House of Commons; LAMB = Legislative Assembly Management Board; n/a = not available